

111TH CONGRESS  
1ST SESSION

# H. R. 1208

To strengthen existing legislation sanctioning persons aiding and facilitating nonproliferation activities by the Government of Iran, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2009

Ms. ROS-LEHTINEN (for herself, Mr. BOEHNER, Mr. CANTOR, Mr. PENCE, Mr. MCCARTHY of California, Mr. MCCOTTER, Mr. HOEKSTRA, Mr. KING of New York, Mr. BUYER, Mr. BLUNT, Mrs. BLACKBURN, Mr. PRICE of Georgia, Mr. BURTON of Indiana, Mr. GALLEGLY, Mr. MACK, Mr. WILSON of South Carolina, Mr. BOOZMAN, Mr. MCCAUL, Mr. POE of Texas, Mr. BILIRAKIS, Mrs. MYRICK, Mr. LINCOLN DIAZ-BALART of Florida, Mr. CONAWAY, Mr. MILLER of Florida, Mr. GOHMERT, Mr. LINDER, Mr. PLATTS, Mr. LOBIONDO, Mr. BISHOP of Utah, Mr. TERRY, Mr. LAMBORN, Mr. TIBERI, Mrs. BACHMANN, Mr. BUCHANAN, Mr. BROUN of Georgia, Mr. ROONEY, and Mr. SAM JOHNSON of Texas) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Financial Services, Oversight and Government Reform, Ways and Means, the Judiciary, Education and Labor, and Science and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To strengthen existing legislation sanctioning persons aiding and facilitating nonproliferation activities by the Government of Iran, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Iran Threat Reduction Act of 2009”.

4 (b) TABLE OF CONTENTS.—The table of contents of  
5 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—AMENDMENTS TO THE IRAN FREEDOM SUPPORT ACT

Sec. 101. Codification of sanctions against Iran.

TITLE II—AMENDMENTS TO THE IRAN SANCTIONS ACT OF 1996  
AND RELATED PROVISIONS

Sec. 201. Exclusion from the United States of senior officials of foreign persons  
who have aided proliferation relating to Iran.

Sec. 202. Import sanctions.

Sec. 203. Expansion and clarification of entities against which sanctions may  
be imposed pursuant to the Iran Sanctions Act of 1996.

Sec. 204. Application to subsidiaries.

Sec. 205. Authority to impose sanctions on principal executive officers.

Sec. 206. Strengthening of waiver authority and sanctions implementation.

TITLE III—AMENDMENTS TO THE IRAN, NORTH KOREA, AND  
SYRIA NONPROLIFERATION ACT

Sec. 301. Transshipment of certain goods, services, or technology.

Sec. 302. Prohibition on payments related to Service Module of the Russian  
Aviation and Space Agency.

TITLE IV—DIVESTMENT FROM IRAN

Sec. 401. Requiring the divestiture of current investments in Iran, prohibiting  
future investments in Iran, and requiring the disclosure to in-  
vestors of information relating to such investments.

Sec. 402. Incentives for divestment from Iran.

Sec. 403. Denial of tax benefits for taxpayers engaged in business activity with  
Iran prohibited by United States law.

Sec. 404. Tax on income derived by foreign corporations from business activity  
with Iran prohibited by United States law.

TITLE V—COMPENSATION FOR FORMER UNITED STATES HOS-  
TAGES HELD BY IRAN AND VICTIMS OF IRANIAN-SPONSORED  
TERRORIST ATTACKS AGAINST THE UNITED STATES

Sec. 501. Creation of Fund.

Sec. 502. Transfers to Fund.

Sec. 503. Expenditures from Fund.

Sec. 504. Compensation amounts.

Sec. 505. Remaining funds.

Sec. 506. Rule of construction.

TITLE VI—ADDITIONAL PROVISIONS RELATED TO IRANIAN UN-  
CONVENTIONAL WEAPONS PROGRAMS AND SUPPORT FOR  
INTERNATIONAL TERRORISM

Sec. 601. Biological weapons capabilities and programs.

Sec. 602. Iranian chemical weapons capabilities and programs.

Sec. 603. Restrictions on nuclear cooperation with countries assisting the nu-  
clear program of Iran.

Sec. 604. Continuation of restrictions against the Government of Iran.

TITLE VII—DEFINITIONS

Sec. 701. Definitions.

1 **TITLE I—AMENDMENTS TO THE**  
2 **IRAN FREEDOM SUPPORT ACT**

3 **SEC. 101. CODIFICATION OF SANCTIONS AGAINST IRAN.**

4 (a) IN GENERAL.—Section 101(a) of the Iran Free-  
5 dom Support Act (Public Law 109–293; 50 U.S.C. 1701  
6 note) is amended in the first sentence by striking “and  
7 sections 2, 3, and 5 of Executive Order No. 13059 (relat-  
8 ing to exports and certain other transactions with Iran)  
9 as in effect on January 1, 2006,” and inserting “sections  
10 2, 3, and 5 of Executive Order No. 13059 (relating to  
11 exports and certain other transactions with Iran) as in ef-  
12 fect on January 1, 2006, and Executive Order No. 13382  
13 as in effect on January 15, 2009, until the President cer-  
14 tifies to the appropriate congressional committees, at least  
15 90 days before the removal of sanctions, that the Govern-  
16 ment of Iran has verifiably dismantled its weapons of mass  
17 destruction programs and ceased its support for inter-  
18 national terrorism.”.

1 (b) SANCTIONS RELATING TO SUPPORT FOR ACTS OF  
2 INTERNATIONAL TERRORISM.—Section 101 of the Iran  
3 Freedom Support Act is amended by amending subsection  
4 (b) to read as follows:

5 “(b)(1) SANCTIONS RELATING TO SUPPORT FOR  
6 ACTS OF INTERNATIONAL TERRORISM.—Any United  
7 States sanctions, controls, or regulations prohibiting or  
8 limiting engagement with Iranian entities as in effect on  
9 January 1, 2006, relating to a determination under sec-  
10 tion 6(j)(1)(A) of the Export Administration Act of 1979  
11 (50 U.S.C. App. 2405(j)(1)(A)), section 620A(a) of the  
12 Foreign Assistance Act of 1961 (22 U.S.C. 2371(a)), or  
13 section 40(d) of the Arms Export Control Act (22 U.S.C.  
14 2780(d)) shall remain in effect until the President certifies  
15 to the appropriate congressional committees, at least 90  
16 days before the removal of such sanctions, that the Gov-  
17 ernment of Iran—

18 “(A) is no longer engaged in the illegal develop-  
19 ment, acquisition, procurement, or stockpiling of  
20 missile, nuclear, chemical, biological, or radiological  
21 technology, or transfer to any other country, the  
22 government of which the Secretary of State has de-  
23 termined, for purposes of any of the provisions of  
24 law specified in the matter preceding this paragraph,

1 is a government that has repeatedly provided sup-  
2 port for acts of international terrorism;

3 “(B) is no longer engaged in training, har-  
4 boring, supplying, financing, or supporting in any  
5 way—

6 “(i) any organization designated by the  
7 Secretary of State as a foreign terrorist organi-  
8 zation in accordance with section 219(a) of the  
9 Immigration and Nationality Act (8 U.S.C.  
10 1189(a)); and

11 “(ii) any person included on the Annex to  
12 Executive Order 13224 (September 23, 2001)  
13 and any other person identified under section 1  
14 of that Executive Order whose property and in-  
15 terests in property are blocked by that section  
16 (commonly known as a ‘specially designated  
17 global terrorist’); and

18 “(C) has provided compensation for former  
19 United States hostages held in Iran, and other vic-  
20 tims of acts of Iranian-sponsored terrorism against  
21 United States persons before the date of the enact-  
22 ment of this subsection, in accordance with section  
23 503 of the Iran Threat Reduction Act of 2009.

24 “(2) DETERMINATION.—The determination of Iran  
25 as a state-sponsor of terrorism under section 6(j)(1)(A)

1 of the Export Administration Act of 1979 (50 U.S.C. App.  
 2 2405(j)(1)(A)), section 620A(a) of the Foreign Assistance  
 3 Act of 1961 (22 U.S.C. 2371(a)), or section 40(d) of the  
 4 Arms Export Control Act (22 U.S.C. 2780(d)) shall re-  
 5 main in effect until the requirements of the notification  
 6 described in subsection (a) and the certification described  
 7 in this subsection are met.”.

## 8 **TITLE II—AMENDMENTS TO THE** 9 **IRAN SANCTIONS ACT OF 1996** 10 **AND RELATED PROVISIONS**

### 11 **SEC. 201. EXCLUSION FROM THE UNITED STATES OF SEN-** 12 **IOR OFFICIALS OF FOREIGN PERSONS WHO** 13 **HAVE AIDED PROLIFERATION RELATING TO** 14 **IRAN.**

15 The Iran Sanctions Act of 1996 (Public Law 104–  
 16 172; 50 U.S.C. 1701 note) is amended—

17 (1) in section 5(b), in the matter preceding  
 18 paragraph (1), by inserting “, or permitted, hosted,  
 19 or otherwise facilitated transshipment that may have  
 20 enabled a person to export, transfer, or otherwise  
 21 provide to Iran,” after “or otherwise provided to  
 22 Iran”;

23 (2) by redesignating sections (7) through (14)  
 24 as sections (8) through (15), respectively; and

1           (3) by inserting after section (6) the following  
2       new section:

3       **“SEC. 7. EXCLUSION FROM THE UNITED STATES OF SENIOR**  
4                       **OFFICIALS OF FOREIGN PERSONS WHO HAVE**  
5                       **AIDED PROLIFERATION RELATING TO IRAN.**

6       “(a) GROUNDS FOR EXCLUSION.—Except as pro-  
7       vided in subsection (b), the Secretary of State shall deny  
8       a visa to, and the Secretary of State shall exclude from  
9       the United States, any alien whom the Secretary of State  
10      determines is an alien who, on or after the date of the  
11      enactment of this Act is a—

12           “(1) corporate officer, principal, or shareholder  
13           with a controlling interest of a person against whom  
14           sanctions have been imposed pursuant to section 5;

15           “(2) corporate officer, principal, or shareholder  
16           with a controlling interest of a successor entity to or  
17           a parent or subsidiary of such a person;

18           “(3) corporate officer, principal, or shareholder  
19           with a controlling interest of an affiliate of such a  
20           sanctioned person, if such affiliate engaged in a  
21           sanctionable activity described in subsection (a) or  
22           (b) of section 5, and if such affiliate is controlled in  
23           fact by such a person;

24           “(4) spouse, minor child, or agent of a person  
25           excludable under paragraph (1), (2), or (3);

1           “(5) senior official of a foreign government that  
2           is identified as a person against whom sanctions  
3           have been imposed pursuant to section 5;

4           “(6) senior official of a foreign government with  
5           primary jurisdiction over such a person; or

6           “(7) spouse, minor child, or agent of a person  
7           excludable under paragraph (5) or (6).

8           “(b) EXCEPTION.—The President may waive the  
9           sanctions described in subsection (a) with respect to a per-  
10          son specified in paragraph (5), (6), or (7) if the President  
11          determines and certifies in writing to the appropriate con-  
12          gressional committees, on a case by case basis, that the  
13          foreign government with primary jurisdiction over such a  
14          person against whom sanctions have been imposed pursu-  
15          ant to section 5 has made and continues to make clear,  
16          specific efforts to stop and deter a sanctionable activity  
17          described in subsection (a) or (b) of section 5.”; and

18                 (4) in section 15, as redesignated pursuant to  
19          paragraph (2) of this section—

20                         (A) by redesignating paragraphs (15) and  
21                         (16) as paragraphs (17) and (18), respectively;  
22                         and

23                         (B) by inserting after paragraph (14) the  
24                         following new paragraphs:



1           “(14) TRANSFER.—The term ‘transfer’ means  
2           the conveyance of technological or intellectual prop-  
3           erty, or the conversion of intellectual or technological  
4           advances into marketable goods, services, or articles  
5           of value, developed and generated in one place, to  
6           another through illegal or illicit means to a country,  
7           the government of which the Secretary of State has  
8           determined, for purposes of section 6(j)(1)(A) of the  
9           Export Administration Act of 1979 (as in effect pur-  
10          suant to the International Emergency Economic  
11          Powers Act; 50 U.S.C. 1701 et seq.), section 40(d)  
12          of the Arms Export Control Act (22 U.S.C.  
13          2780(d)), and section 620A of the Foreign Assist-  
14          ance Act of 1961 (22 U.S.C. 2371), is a government  
15          that has repeatedly provided support for acts of  
16          international terrorism.

17          “(15) TRANSSHIPMENT.—The term ‘trans-  
18          shipment’ means the export from one country to an-  
19          other that passes through a third country, in which  
20          cargo is off-loaded and there is some change to con-  
21          veyance.”.

22 **SEC. 202. IMPORT SANCTIONS.**

23          (a) PROHIBITION ON IMPORTS.—

24                  (1) IN GENERAL.—Except as provided in para-  
25          graph (2), no article that is the growth, product, or

1 manufacture of Iran may be imported directly or in-  
2 directly into the United States.

3 (2) EXCEPTION.—The prohibition described in  
4 paragraph (1) shall not apply to imports from Iran  
5 of information and informational materials.

6 (b) WAIVER.—The President may waive the applica-  
7 tion on a case-by-case basis of the prohibition described  
8 in subsection (a) if the President—

9 (1) determines that such a waiver is vital to the  
10 national security interest of the United States; and

11 (2) submits to the appropriate congressional  
12 committees a report describing the reasons for such  
13 determination.

14 **SEC. 203. EXPANSION AND CLARIFICATION OF ENTITIES**  
15 **AGAINST WHICH SANCTIONS MAY BE IM-**  
16 **POSED PURSUANT TO THE IRAN SANCTIONS**  
17 **ACT OF 1996.**

18 (a) PERSON.—Section 14(13)(B) of the Iran Sanc-  
19 tions Act of 1996 (50 U.S.C. 1701 note) is amended—

20 (1) by inserting “financial institution, insurer,  
21 underwriter, guarantor, and any other business or-  
22 ganization, including any foreign subsidiary, parent,  
23 or affiliate of the foregoing,” after “trust,”; and

24 (2) by inserting “, such as an export credit  
25 agency” before the semicolon.

1 (b) PETROLEUM RESOURCES.—Section 14(14) of the  
2 Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) is  
3 amended to read as follows:

4 “(14) PETROLEUM RESOURCES.—

5 “(A) PETROLEUM RESOURCES.—The term  
6 ‘petroleum resources’ includes petroleum, petro-  
7 leum by-products, oil or liquefied natural gas,  
8 oil or liquefied natural gas tankers, and prod-  
9 ucts used to construct or maintain pipelines  
10 used to transport oil or compressed or liquefied  
11 natural gas.

12 “(B) PETROLEUM BY-PRODUCTS.—The  
13 term ‘petroleum by-products’ means gasoline,  
14 kerosene, distillates, propane or butane gas, die-  
15 sel fuel, residual fuel oil, and other goods classi-  
16 fied in headings 2709 and 2710 of the Har-  
17 monized Tariff Schedule of the United States.”.

18 **SEC. 204. APPLICATION TO SUBSIDIARIES.**

19 (a) IN GENERAL.—Except as provided in subsection  
20 (b), in any case in which an entity engages in an act out-  
21 side the United States which, if committed in the United  
22 States or by a United States person, would violate Execu-  
23 tive Order No. 12959 of May 6, 1995, Executive Order  
24 No. 13059 of August 19, 1997, or any other prohibition  
25 on transactions with respect to Iran that is imposed under

1 the International Emergency Economic Powers Act (50  
2 U.S.C. 1701 et seq.) and if such entity was created or  
3 availed of for the purpose of engaging in such an act, the  
4 parent company of such entity shall be subject to the pen-  
5 alties for such violation to the same extent as if such par-  
6 ent company had engaged in such act.

7 (b) EXCEPTION.—Subsection (a) shall not apply to  
8 an act carried out under a contract or other obligation  
9 of an entity if such contract or obligation was entered into  
10 before the acquisition of such entity by a parent company  
11 unless such parent company acquired such entity knowing  
12 or having reason to know that such contract or other obli-  
13 gation existed or such contract or other obligation is ex-  
14 panded to cover additional activities beyond the terms of  
15 such contract or other obligation as it existed at the time  
16 of such acquisition.

17 (c) DEFINITIONS.—In this section—

18 (1) the term “entity” means a partnership, as-  
19 sociation, trust, joint venture, corporation, or other  
20 organization;

21 (2) an entity is a “parent company” of another  
22 entity if it owns, directly or indirectly, more than 50  
23 percent of the equity interest in that other entity  
24 and is a United States person; and

1           (3) the term “United States person” means an  
2           entity organized under the laws of the United States  
3           or a person in the United States.

4 **SEC. 205. AUTHORITY TO IMPOSE SANCTIONS ON PRIN-**  
5 **CIPAL EXECUTIVE OFFICERS.**

6           Section 5 of the Iran Sanctions Act of 1996 (50  
7 U.S.C. 1701 note) is amended by adding at the end the  
8 following new subsection:

9           “(g) AUTHORITY TO IMPOSE SANCTIONS ON PRIN-  
10 CIPAL EXECUTIVE OFFICERS.—

11           “(1) SANCTIONS UNDER SECTION 6.—In addi-  
12 tion to the sanctions imposed under subsection (a),  
13 the President may impose on the principal executive  
14 officer or officers of any sanctioned person, or on  
15 persons performing similar functions as such officer  
16 or officers, any of the sanctions under section 6. The  
17 President shall include on the list published under  
18 subsection (d) the name of any person against whom  
19 sanctions are imposed under this paragraph.

20           “(2) ADDITIONAL SANCTIONS.—In addition to  
21 the sanctions imposed under paragraph (1), the  
22 President may block the property of any person de-  
23 scribed in such paragraph, and prohibit transactions  
24 in such property, to the same extent as the property  
25 of a foreign person determined to have committed

1 acts of terrorism for purposes of Executive Order  
2 No. 13224 of September 23, 2001 (50 U.S.C. 1701  
3 note).”.

4 **SEC. 206. STRENGTHENING OF WAIVER AUTHORITY AND**  
5 **SANCTIONS IMPLEMENTATION.**

6 (a) INVESTIGATIONS.—Section 4(f) of the Iran Sanc-  
7 tions Act of 1996 (50 U.S.C. 1701 note) is amended—

8 (1) in subsection 4(f)(1), by striking “should”  
9 and inserting “shall immediately;” and

10 (2) by adding at the end the following new  
11 paragraph:

12 “(3) DEFINITION OF CREDIBLE INFORMA-  
13 TION.—For the purposes of this subsection, the term  
14 ‘credible information’ means public or classified in-  
15 formation or reporting supported by other substan-  
16 tiating evidence.”.

17 (b) EXCEPTION FOR PROLIFERATION SECURITY INI-  
18 TIATIVE.—Section 5(f) of the Iran Sanctions Act of 1996  
19 (50 U.S.C. 1701 note) is amended—

20 (1) in paragraph (6), by striking “or” at the  
21 end;

22 (2) in paragraph (7), by striking the period at  
23 the end and inserting “; or”; and

24 (3) by adding at the end the following new  
25 paragraph:

1 “(8) if the President determines in writing that  
 2 the person to which the sanctions would otherwise be  
 3 applied is a citizen, resident, or subsidiary of a coun-  
 4 try that is a participant in the Proliferation Security  
 5 Initiative.”.

6 (c) GENERAL WAIVER AUTHORITY.—Section 9(c)(1)  
 7 of the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note)  
 8 is amended by striking “important to the national interest  
 9 of the United States” and inserting “vital to the national  
 10 security interest of the United States”.

11 (d) RULE OF CONSTRUCTION.—The amendments  
 12 made by this section shall not be construed to affect any  
 13 exercise of the authority of section 4(f) or section 9(c) of  
 14 the Iran Sanctions Act of 1996 as in effect on the day  
 15 before the date of the enactment of this Act.

16 **TITLE III—AMENDMENTS TO**  
 17 **THE IRAN, NORTH KOREA,**  
 18 **AND SYRIA NONPROLIFERA-**  
 19 **TION ACT**

20 **SEC. 301. TRANSSHIPMENT OF CERTAIN GOODS, SERVICES,**  
 21 **OR TECHNOLOGY.**

22 The Iran, North Korea, and Syria Nonproliferation  
 23 Act (Public Law 106–178; 50 U.S.C. 1701 note) is  
 24 amended—

25 (1) in section 2—

1 (A) in subsection (a), in the matter pre-  
2 ceding paragraph (1)—

3 (i) by striking “or” after “Syria,”;  
4 and

5 (ii) by inserting after “North Korea”  
6 the following: “, on or after January 1,  
7 1999, permitted, hosted, or otherwise fa-  
8 cilitated a transshipment (as such term is  
9 defined in section 5) that may have en-  
10 abled a foreign person to transfer (as such  
11 term is defined in section 7) to or acquire  
12 from Iran, on or after January 1, 2005,  
13 permitted, hosted or otherwise facilitated a  
14 transshipment that may have enabled a  
15 foreign person to transfer to or acquire  
16 from Syria, or on or after January 1,  
17 2006, permitted, hosted or otherwise facili-  
18 tated a transshipment that may have en-  
19 abled a person to transfer to or acquire  
20 from North Korea”; and

21 (B) in subsection (e), by inserting “, or  
22 whose transfer via transshipment was per-  
23 mitted, hosted, or facilitated,” after “trans-  
24 ferred”; and

25 (2) in section 5—



1 (A) in subsection (a)—

2 (i) in paragraph (1), by inserting “, or  
3 did not permit, host, or otherwise facilitate  
4 transshipment that may have enabled a  
5 foreign person to transfer to or acquire  
6 from,” before “Iran”;

7 (ii) in paragraph (3), by striking “or”  
8 at the end;

9 (iii) in paragraph (4), by striking the  
10 period at the end and inserting “; or”; and

11 (iv) by adding at the end the following  
12 new paragraph:

13 “(5) in the case of a foreign person who per-  
14 mitted, hosted, or otherwise facilitated trans-  
15 shipment that may have enabled a foreign person to  
16 transfer to or acquire from Iran, North Korea, or  
17 Syria, as the case may be, the goods, services, or  
18 technology the apparent transfer of which caused  
19 that person to be identified in a report submitted  
20 pursuant to section 2(a), the government with pri-  
21 mary jurisdiction over the foreign person has made  
22 and continues to make clear, specific efforts to stop  
23 and deter the permitting, hosting, or other facili-  
24 tating of transshipments that may enable such  
25 transfers or acquisitions.”; and

1 (B) by adding at the end the following new  
2 subsection:

3 “(g) DEFINITIONS.—In this section:

4 “(1) GOODS, SERVICES, OR TECHNOLOGY.—The  
5 term ‘goods, services, or technology’ includes—

6 “(A) any defense articles or defense serv-  
7 ices on the United States Munitions List under  
8 section 38 of the Arms Export Control Act (22  
9 U.S.C. 2778) for which special export controls  
10 are warranted under such Act (22 U.S.C. 2751  
11 3 et seq.);

12 “(B) any item identified on the Commerce  
13 Control List maintained under part 774 of title  
14 15, Code of Federal Regulations; and

15 “(C) other sensitive United States goods,  
16 including intellectual property and services, that  
17 would contribute to the ability of Iran, North  
18 Korea, or Syria, as the case may be, to further  
19 its conventional and unconventional military ca-  
20 pabilities.

21 “(2) TRANSSHIPMENT.—The term ‘trans-  
22 shipment’ means the export from one country to an-  
23 other that passes through a third country, in which  
24 cargo is off-loaded and there is some change to con-  
25 veyance.”.

1 **SEC. 302. PROHIBITION ON PAYMENTS RELATED TO SERV-**  
2 **ICE MODULE OF THE RUSSIAN AVIATION AND**  
3 **SPACE AGENCY.**

4 Section 6 of the Iran, North Korea, and Syria Non-  
5 proliferation Act (Public Law 106–178; 50 U.S.C. 1701  
6 note) is amended by—

7 (1) striking subsection (g); and

8 (2) redesignating subsections (h) and (i) as  
9 subsections (g) and (h), respectively.

10 **TITLE IV—DIVESTMENT FROM**  
11 **IRAN**

12 **SEC. 401. REQUIRING THE DIVESTITURE OF CURRENT IN-**  
13 **VESTMENTS IN IRAN, PROHIBITING FUTURE**  
14 **INVESTMENTS IN IRAN, AND REQUIRING THE**  
15 **DISCLOSURE TO INVESTORS OF INFORMA-**  
16 **TION RELATING TO SUCH INVESTMENTS.**

17 (a) UNITED STATES PENSION PLANS.—

18 (1) PUBLICATION IN FEDERAL REGISTER.—Not  
19 later than six months after the date of the enact-  
20 ment of this Act and every six months thereafter,  
21 the President shall ensure publication in the Federal  
22 Register of a list of all United States and foreign en-  
23 tities that have invested more than \$20,000,000 in  
24 Iran’s energy sector between August 5, 1996, and  
25 the date of such publication. Such list shall include  
26 an itemization of individual investments of each such

entity, including the dollar value, intended purpose,  
and current status of each such investment.

(2) DISCLOSURE TO INVESTORS.—

(A) IN GENERAL.—Not later than 30 days after the date of publication of a list in the relevant Federal Register under paragraph (1), managers of United States Government pension plans or thrift savings plans, managers of pension plans maintained in the private sector by plan sponsors in the United States, and managers of mutual funds sold or distributed in the United States shall notify investors that the funds of such investors are invested in an entity included on the list and that the funds will be divested from such investments. Such notification shall contain the following information:

(i) The name or other identification of the entity.

(ii) The amount of the investment in the entity.

(iii) The potential liability to the entity if sanctions are imposed by the United States on Iran or on the entity.

(iv) The potential liability to investors if such sanctions are imposed.

1 (v) The measures being undertaken by  
2 the managers to divest from such invest-  
3 ments.

4 (B) FOLLOW-UP NOTIFICATION.—

5 (i) IN GENERAL.—Except as provided  
6 in clause (iii), in addition to the notifica-  
7 tion required under paragraph (A), such  
8 managers shall also include such notifica-  
9 tion in every prospectus and in every regu-  
10 larly provided quarterly, semi-annual, or  
11 annual report provided to investors, if the  
12 funds of such investors are invested in an  
13 entity included on the list.

14 (ii) CONTENTS OF NOTIFICATION.—  
15 The notification described in clause (i)  
16 shall be displayed prominently in any such  
17 prospectus or report and shall contain the  
18 information described in subparagraph (A).

19 (iii) GOOD-FAITH EXCEPTION.—If,  
20 upon publication of a list in the relevant  
21 Federal Register under subsection (a)(1),  
22 such managers verifiably divest all invest-  
23 ments of such plans or funds in any entity  
24 included on the list and such managers do  
25 not initiate any new investment in any

1           other such entity, such managers shall not  
2           be required to include in any prospectus or  
3           report provided to investors the notifica-  
4           tion described in subparagraph (A).

5           (3) DIVESTITURE FROM IRAN.—Upon notifica-  
6           tion under subsection (a)(2), managers of United  
7           States Government pension plans or thrift savings  
8           plans, shall take, to the extent consistent with the  
9           legal and fiduciary duties otherwise imposed on  
10          them, immediate steps to divest all investments of  
11          such plans or funds in any entity included on the  
12          list.

13          (4) SENSE OF CONGRESS RELATING TO FUR-  
14          THER DIVESTITURE FROM IRAN.—It is the sense of  
15          Congress that upon publication of a list in the rel-  
16          evant Federal Register under subsection (a)(1),  
17          managers of pension plans maintained in the private  
18          sector by plan sponsors in the United States and  
19          managers of mutual funds sold or distributed in the  
20          United States should take immediate steps to divest  
21          all investments of such plans or funds in any entity  
22          included on the list.

23          (5) PROHIBITION ON FUTURE INVESTMENT.—  
24          Upon publication of a list in the relevant Federal  
25          Register under subsection (a)(1), there shall be, to

1 the extent consistent with the legal and fiduciary du-  
2 ties otherwise imposed on them, no future invest-  
3 ment in any entity included on the list by managers  
4 of United States Government pension plans or thrift  
5 savings plans, managers of pension plans maintained  
6 in the private sector by plan sponsors in the United  
7 States, or managers of mutual funds sold or distrib-  
8 uted in the United States.

9 (b) REPORT BY OFFICE OF GLOBAL SECURITY  
10 RISKS.—Not later than 30 days after the date of publica-  
11 tion of a list in the relevant Federal Register under sub-  
12 section (a), the Office of Global Security Risks within the  
13 Division of Corporation Finance of the United States Se-  
14 curities and Exchange Commission shall issue a report  
15 containing a list of the United States and foreign entities  
16 identified in accordance with such subsection, a deter-  
17 mination of whether or not the operations in Iran of any  
18 such entity constitute a political, economic, or other risk  
19 to the United States, and a determination of whether or  
20 not the entity faces United States litigation, sanctions, or  
21 similar circumstances that are reasonably likely to have  
22 a material adverse impact on the financial condition or  
23 operations of the entity.

24 (c) SUNSET.—This section shall terminate 30 days  
25 after the date on which the President has made the certifi-

1 cations described in section 101(b) of the Iran Freedom  
2 Support Act, as amended by section 101(b) of this Act.

3 **SEC. 402. INCENTIVES FOR DIVESTMENT FROM IRAN.**

4 It shall be the policy of the United States to—

5 (1) expedite the approval process and issuance  
6 of any guarantee, insurance, extension of credit, or  
7 participation in the extension of credit in connection  
8 with the export of any goods or services to an entity  
9 or person that deliberately and willingly divests all  
10 investments in Iran;

11 (2) provide preference to United States finan-  
12 cial institution loans or credits to an entity or per-  
13 son that deliberately and willingly divests all invest-  
14 ments in Iran; and

15 (3) provide preference to United States Govern-  
16 ment contracting or procurement of goods or serv-  
17 ices from an entity or person that deliberately and  
18 willingly divests all investments in Iran.

19 **SEC. 403. DENIAL OF TAX BENEFITS FOR TAXPAYERS EN-**  
20 **GAGED IN BUSINESS ACTIVITY WITH IRAN**  
21 **PROHIBITED BY UNITED STATES LAW.**

22 (a) IN GENERAL.—Section 901 of the Internal Rev-  
23 enue Code of 1986 (relating to taxes of foreign countries  
24 and of possessions of United States) is amended by redes-



1 ignating subsection (m) as subsection (n) and by inserting  
 2 after subsection (l) the following new subsection:

3 “(m) TAXPAYERS ENGAGED IN BUSINESS ACTIVITY  
 4 WITH IRAN PROHIBITED BY UNITED STATES LAW.—

5 “(1) IN GENERAL.—Notwithstanding any other  
 6 provision of this part, in the case of a taxpayer  
 7 which is a member of an expanded affiliated group  
 8 any member of which, on any day during the taxable  
 9 year, engaged in business activity with Iran which is  
 10 prohibited by United States law, no credit shall be  
 11 allowed under subsection (a) to the taxpayer for any  
 12 income, war profits, or excess profits taxes paid or  
 13 accrued (or deemed paid under section 902 or 960)  
 14 to any country if such taxes are with respect to in-  
 15 come attributable to a period any part of which oc-  
 16 curs during such taxable year.

17 “(2) BUSINESS ACTIVITY.—For purposes of  
 18 paragraph (1)—

19 “(A) IN GENERAL.—The term ‘business  
 20 activity’ means any of the following:

21 “(i) An entity described in subpara-  
 22 graph (D) that—

23 “(I) has in effect a contract that  
 24 includes the responsibility for the de-  
 25 velopment of petroleum resources, pe-

1                   troleum refining capacity, or liquefied  
2                   natural gas located in Iran or (as the  
3                   case may be), or

4                   “(II) has in effect a contract pro-  
5                   viding for the general supervision and  
6                   guarantee of another person’s per-  
7                   formance of a contract described in  
8                   subclause (I).

9                   “(ii) The purchase of a share of own-  
10                  ership, including an equity interest, in the  
11                  development described in clause (i).

12                  “(iii) Having in effect a contract pro-  
13                  viding for the participation in royalties,  
14                  earnings, or profits in the development de-  
15                  scribed in clause (i), without regard to the  
16                  form of the participation.

17                  “(B) GOODS, SERVICES, AND TECH-  
18                  NOLOGY.—The term ‘business activity’ includes  
19                  the entry into, performance, or financing of a  
20                  contract to sell or purchase goods, services, or  
21                  technology.

22                  “(C) SPECIAL RULE.—For purposes of this  
23                  paragraph, an amendment or other modification  
24                  that is made, on or the date of the enactment  
25                  of this subsection to an agreement or contract

1 shall be treated as the entry of an agreement  
2 or contract.

3 “(D) ENTITIES DESCRIBED.—For pur-  
4 poses of subparagraph (A), an entity described  
5 in this subparagraph is—

6 “(i) a natural person;

7 “(ii) a corporation, business associa-  
8 tion, partnership, society, trust, financial  
9 institution, insurer, underwriter, guar-  
10 antor, and any other business organization;

11 “(iii) any foreign subsidiary of any en-  
12 tity described in clause (ii);

13 “(iv) any governmental entity oper-  
14 ating as a business enterprise, such as an  
15 export credit agency; and

16 “(v) any successor to any entity de-  
17 scribed in clause (ii), (iii), or (iv).

18 “(3) TAXES ALLOWED AS A DEDUCTION, ETC.—  
19 Sections 275 and 78 shall not apply to any tax  
20 which is not allowable as a credit under subsection  
21 (a) by reason of this subsection.

22 “(4) EXPANDED AFFILIATED GROUP.—For pur-  
23 poses of paragraph (1), the term ‘expanded affiliated  
24 group’ means an affiliated group (as defined in sub-  
25 section (a) of section 1504 (without regard to sub-

1 sections (b)(2), (b)(4), and (c) thereof)); except that  
 2 section 1504(a) shall be applied by substituting  
 3 ‘more than 50 percent’ for ‘at least 80 percent’ each  
 4 place it appears.

5 “(5) REGULATIONS.—The Secretary shall pre-  
 6 scribe such regulations as may be necessary or ap-  
 7 propriate to carry out the purposes of this sub-  
 8 section, including regulations which impose appro-  
 9 priate reporting requirements.”.

10 (b) INCOME INCLUDED AS SUBPART F INCOME.—  
 11 Subsection (a) of section 952 is amended by striking  
 12 “and” at the end of paragraph (4), by striking the period  
 13 at the end of paragraph (5) and inserting “, and”, and  
 14 by inserting after paragraph (5) the following new para-  
 15 graph:

16 “(6) all income of such corporation derived  
 17 from all foreign countries during any period during  
 18 which section 901(m) applies to such corporation.”.

19 (c) REPORTING.—

20 (1) IN GENERAL.—Part II of subchapter B of  
 21 chapter 68 of the Internal Revenue Code of 1986  
 22 (relating to failure to comply with certain informa-  
 23 tion reporting requirements) is amended by adding  
 24 at the end the following new section:

1 **“SEC. 6726. FAILURE TO REPORT INFORMATION UNDER**  
 2 **SECTION 901(M).**

3 “(a) IN GENERAL.—In the case of each failure de-  
 4 scribed in subsection (c) by any person, such person shall  
 5 pay a penalty of \$100,000 for each day in the noncompli-  
 6 ance period with respect to which the failure relates.

7 “(b) NONCOMPLIANCE PERIOD.—For purposes of  
 8 this section, the term ‘noncompliance period’ means, with  
 9 respect to any failure, the period—

10 “(1) beginning on the date such failure first oc-  
 11 curs; and

12 “(2) ending on the date such failure is cor-  
 13 rected.

14 “(c) FAILURES SUBJECT TO PENALTY.—For pur-  
 15 poses of subsection (a), the failure described in this sub-  
 16 section is a failure to comply with any requirement con-  
 17 tained in the regulations prescribed under section  
 18 901(m).”.

19 (2) CLERICAL AMENDMENT.—The table of sec-  
 20 tions for part II of subchapter B of chapter 68 of  
 21 such Code is amended by adding at the end the fol-  
 22 lowing new item:

“Sec. 6726. Failure to report information under section 901(m).”.

23 (d) EFFECTIVE DATE.—The amendments made by  
 24 this section shall apply to taxable years beginning after  
 25 the date of the enactment of this Act.

1 **SEC. 404. TAX ON INCOME DERIVED BY FOREIGN CORPORA-**  
 2 **TIONS FROM BUSINESS ACTIVITY WITH IRAN**  
 3 **PROHIBITED BY UNITED STATES LAW.**

4 (a) TAX AMENDMENT.—Subpart B of part II of sub-  
 5 chapter N of chapter 1 of the Internal Revenue Code of  
 6 1986 (relating to foreign corporations) is amended by in-  
 7 serting after section 884 the following new section:

8 **“SEC. 884A. TAX ON INCOME DERIVED BY FOREIGN COR-**  
 9 **PORATIONS FROM BUSINESS ACTIVITY WITH**  
 10 **IRAN PROHIBITED BY UNITED STATES LAW.**

11 “In the case of a foreign corporation which is en-  
 12 gaged in business activity with Iran prohibited by United  
 13 States law—

14 “(1) in respect of tax on income derived from  
 15 such prohibited activity—

16 “(A) section 881(a) shall be applied by  
 17 substituting ‘45 percent’ for ‘30 percent’;

18 “(B) subsections (b), (c), (d) and (e) of  
 19 section 881 shall not apply;

20 “(C) tax imposed pursuant to section 882  
 21 shall be imposed at a rate of ‘45 percent’;

22 “(D) section 883 shall not apply; and

23 “(E) section 884(a) shall be applied by  
 24 substituting ‘45 percent’ for ‘30 percent’; and

25 “(2) in respect of withholding—

1 “(A) section 1442(a) shall be applied by  
 2 substituting ‘45 percent’ for ‘30 percent’; and

3 “(B) section 1442(c) shall not apply.”.

4 (b) CLERICAL AMENDMENT.—The table of sections  
 5 for subpart B of part II of subchapter N of chapter 1  
 6 of such Code is amended by inserting after the item relat-  
 7 ing to section 884 the following new item:

“Sec. 884A. Income tax of foreign corporations engaged in business activity  
 with Iran prohibited by United States law.”.

8 (c) EFFECTIVE DATE.—The amendments made by  
 9 this section shall apply to taxable years beginning after  
 10 the date of the enactment of this Act.

11 **TITLE V—COMPENSATION FOR**  
 12 **FORMER UNITED STATES**  
 13 **HOSTAGES HELD BY IRAN**  
 14 **AND VICTIMS OF IRANIAN-**  
 15 **SPONSORED TERRORIST AT-**  
 16 **TACKS AGAINST THE UNITED**  
 17 **STATES**

18 **SEC. 501. CREATION OF FUND.**

19 There is established a fund to be known as the “Com-  
 20 pensation for Former United States Hostages in Iran  
 21 Fund” (in this title referred to as the “Fund”), consisting  
 22 of such amounts as may be appropriated to the Fund as  
 23 provided by this section.

1 **SEC. 502. TRANSFERS TO FUND.**

2       There are hereby appropriated to the Fund amounts  
3 equivalent to the taxes received in the Treasury by reason  
4 of the amendments made by sections 403 and 404 of this  
5 Act.

6 **SEC. 503. EXPENDITURES FROM FUND.**

7       Amounts in the Fund shall be available, as provided  
8 by appropriation Acts, for making expenditures to pay  
9 claims to the United States citizens held hostage in Iran,  
10 and to members of the families of such United States citi-  
11 zens, who are identified as plaintiffs or class members in  
12 Case Number 1:00CV03110 (EGS).

13 **SEC. 504. COMPENSATION AMOUNTS.**

14       Plaintiffs or class members referred to in section 503  
15 shall be compensated from amounts in the Fund as fol-  
16 lows:

17           (1) For each former hostage so identified as a  
18 plaintiff or class member, \$1,000 for each day of  
19 captivity of such former hostage.

20           (2) For each spouse and child so identified as  
21 a plaintiff or class member, \$500 for each day of  
22 captivity of the hostage to whom such spouse or  
23 child is related.

24           (3) Interest on each amount identified in ac-  
25 cordance with paragraphs (1) and (2), calculated at  
26 the daily prime rate, as determined by the Board of



1       Governors of the Federal Reserve System, from the  
2       period beginning on the date on which a former hos-  
3       tage so identified was taken hostage until the date  
4       of payment under this section.

5   **SEC. 505. REMAINING FUNDS.**

6       (a) IN GENERAL.—After all plaintiffs and class mem-  
7       bers referred to in section 503 are compensated in accord-  
8       ance with section 504, any amounts remaining in the  
9       Fund shall be distributed evenly among plaintiffs and  
10      class members who were granted judgments and awarded  
11      damages by United States courts in claims against Iran  
12      (identified in subsection (b)), but were not compensated.

13      (b) CLAIMS IDENTIFIED.—Claims referred to in sub-  
14      section (a) are the following:

15           (1) *Acosta v. Iran*, 574 F. Supp. 2d 15 (D.D.C.  
16           2008).

17           (2) *Bakhtiar v. Islamic Republic of Iran*, Civil  
18           Action No. 02–00092 (HHK) (D.D.C. 2008).

19           (3) *Beer v. Iran*, 574 F. Supp. 2d 1 (D.D.C.  
20           2008).

21           (4) *Bennett v. Islamic Republic of Iran*, 507 F.  
22           Supp. 2d 117 (D.D.C. 2007).

23           (5) *Ben-Rafael v. Islamic Republic of Iran*,  
24           2008 WL 485091 (D.D.C. 2008).

1           (6) Blais v. Islamic Republic of Iran, 459 F.  
2       Supp. 2d 40 (D.D.C. 2006).

3           (7) Bodoff v. Islamic Republic of Iran, 424 F.  
4       Supp. 2d 74 (D.D.C. 2006).

5           (8) Campuzano v. Islamic Republic of Iran, 281  
6       F. Supp. 2d 258 (D.D.C. 2003).

7           (9) Cicippio-Puleo v. Islamic Republic of Iran,  
8       Civil Action No. 01–01496 (HHK) (D.D.C. 2005).

9           (10) Cronin v. Islamic Republic of Iran, 238 F.  
10      Supp. 2d 222 (D.D.C. 2002).

11          (11) Dammarell v. Islamic Republic of Iran,  
12      2006 WL 2583043 (D.D.C 2006).

13          (12) Dodge v. Islamic Republic of Iran, 2004  
14      WL 5353873 (D.D.C. 2004).

15          (13) Estate of Heiser v. Islamic Republic of  
16      Iran, 466 F. Supp. 2d 229 (D.D.C. 2006).

17          (14) Estate of Bayani v. Islamic Republic of  
18      Iran, Civil Action No. 04–01712 (HHK), 2007 WL  
19      4116167 (D.D.C. 2007).

20          (15) Greenbaum v. Islamic Republic of Iran,  
21      451 F. Supp. 2d 90 (D.D.C 2006).

22          (16) Haim v. Islamic Republic of Iran, 425 F.  
23      Supp. 2d 56 (D.D.C 2006).

24          (17) Holland v. Islamic Republic of Iran, 496  
25      F. Supp. 2d 1 (D.D.C. 2005).

1           (18) *Jacobsen v. Islamic Republic of Iran*, Civil  
2       Action No. 02–1365 (JR) (D.D.C. 2006).

3           (19) *Kerr v. Islamic Republic of Iran*, 245 F.  
4       Supp. 2d 59 (D.D.C. 2003).

5           (20) *Levin v. Islamic Republic of Iran*, Civil Ac-  
6       tion No. 05–02494 (GK), 2007 WL 4564399  
7       (D.D.C. 2008).

8           (21) *Nikbin v. Islamic Republic of Iran*, 517 F.  
9       Supp. 2d 416 (D.D.C. 2007).

10          (22) *Peterson v. Islamic Republic of Iran*, 515  
11       F. Supp. 2d 25 (D.D.C. 2007).

12          (23) *Prevatt v. Islamic Republic of Iran*, 421 F.  
13       Supp. 2d 152 (D.D.C. 2006).

14          (24) *Raffi v. Islamic Republic of Iran*, Civil Ac-  
15       tion No. 01–850 (CKK) (D.D.C. 2002).

16          (25) *Regier v. Islamic Republic of Iran*, 281 F.  
17       Supp. 2d 87 (D.D.C. 2003).

18          (26) *Salazar v. Islamic Republic of Iran*, 370 F.  
19       Supp. 2d 105 (D.D.C. 2005).

20          (27) *Sisso v. Islamic Republic of Iran*, 2007  
21       WL 2007582 (D.D.C. 2007).

22          (28) *Steen v. Islamic Republic of Iran*, 2003  
23       WL 21672820 (D.D.C. 2003).

24          (29) *Stern v. Islamic Republic of Iran*, 271 F.  
25       Supp. 2d 286 (D.D.C. 2003).

1           (30) Surette v. Islamic Republic of Iran, 231 F.  
2       Supp. 2d 260 (D.D.C. 2002).

3           (31) Tracy v. Islamic Republic of Iran, 2003  
4       U.S. Dist. LEXIS 15844 (D.D.C. 2003).

5           (32) Turner v. Islamic Republic of Iran, 2002  
6       U.S. Dist. LEXIS 26730 (D.D.C. 2002).

7           (33) Valore v. Islamic Republic of Iran, 478 F.  
8       Supp. 2d 101 (D.D.C. 2007).

9           (34) Weir v. Islamic Republic of Iran, Civil Ac-  
10      tion No. 01–1303 (TPJ) (D.D.C. 2003).

11          (35) Welch v. Islamic Republic of Iran, Civil  
12      Action No. A01–863(CKK)(AK) (D.D.C. 2007).

13   **SEC. 506. RULE OF CONSTRUCTION.**

14      No plaintiff or class member referred to in section  
15   503, as a result of belonging to more than one claim iden-  
16   tified in section 505, shall be eligible for multiple com-  
17   pensation under section 504.

1 **TITLE VI—ADDITIONAL PROVI-**  
2 **SIONS RELATED TO IRANIAN**  
3 **UNCONVENTIONAL WEAPONS**  
4 **PROGRAMS AND SUPPORT**  
5 **FOR INTERNATIONAL TER-**  
6 **RORISM**

7 **SEC. 601. BIOLOGICAL WEAPONS CAPABILITIES AND PRO-**  
8 **GRAMS.**

9 (a) STATEMENT OF POLICY.—It shall be the policy  
10 of the United States—

11 (1) to recognize the grave threat to the United  
12 States and to United States allies and interests that  
13 Iranian biological weapons programs represent;

14 (2) to use voice, vote, and influence of the  
15 United States within international organizations to  
16 raise and investigate Iranian compliance with its ob-  
17 ligations under the Convention on the Prohibition of  
18 the Development, Production and Stockpiling of  
19 Bacteriological (Biological) and Toxin Weapons and  
20 on Their Destruction; and

21 (3) to refrain from directly engaging with any  
22 person, agent, instrumentality, or official of, is affili-  
23 ated with, or is serving as a representative of the  
24 Government of Iran until Iran verifiably dismantles

1 or otherwise ceases its programs conducive to pro-  
2 ducing biological weapons.

3 (b) REPORT.—

4 (1) REQUIREMENT.—Not later than 180 days  
5 after the date of the enactment of this Act and an-  
6 nually thereafter, the President shall transmits to  
7 the appropriate congressional committees an inter-  
8 agency assessment of Iran’s biological weapons capa-  
9 bilities.

10 (2) CLASSIFIED ANNEX.—The report required  
11 under paragraph (1) shall be in unclassified form to  
12 the greatest extent possible, but may include a clas-  
13 sified annex where necessary.

14 (3) APPROPRIATE CONGRESSIONAL COMMIT-  
15 TEES DEFINED.—In this subsection, the term “ap-  
16 propriate congressional committees” means the  
17 Committee on Foreign Affairs of the House of Rep-  
18 resentatives and the Committee on Foreign Rela-  
19 tions of the Senate.

20 **SEC. 602. IRANIAN CHEMICAL WEAPONS CAPABILITIES AND**  
21 **PROGRAMS.**

22 (a) STATEMENT OF POLICY.—It shall be the policy  
23 of the United States to—

24 (1) to recognize the grave threat to the United  
25 States, United States allies, and United States inter-

1       ests that Iranian chemical weapons programs rep-  
2       resent;

3           (2) to use voice, vote, and influence of the  
4       United States within international organizations to  
5       declare the Government of Iran in violation of its ob-  
6       ligations under the Chemical Weapons Convention;  
7       and

8           (3) to refrain from directly engaging with any  
9       person, agent, instrumentality, or official of, is affili-  
10      ated with, or is serving as a representative of the  
11      Government of Iran until Iran verifiably dismantles  
12      otherwise ceases its programs conducive to pro-  
13      ducing chemical weapons.

14      (b) REPORT.—

15           (1) IN GENERAL.—Not later 180 days after the  
16      date of the enactment of this Act and annually  
17      thereafter, the President shall transmit to the appro-  
18      priate congressional committees an interagency as-  
19      sessment of Iran’s chemical weapons capabilities.

20           (2) CLASSIFIED ANNEX.—The report required  
21      under paragraph (1) shall be in unclassified form to  
22      the greatest extent practicable, but may include a  
23      classified annex if necessary.

24           (3) APPROPRIATE CONGRESSIONAL COMMIT-  
25      TEES DEFINED.—In this subsection, the term “ap-

1       appropriate congressional committees” means the  
2       Committee on Foreign Affairs of the House of Rep-  
3       resentatives and the Committee on Foreign Rela-  
4       tions of the Senate.

5   **SEC. 603. RESTRICTIONS ON NUCLEAR COOPERATION WITH**  
6                   **COUNTRIES ASSISTING THE NUCLEAR PRO-**  
7                   **GRAM OF IRAN.**

8       (a) IN GENERAL.—Notwithstanding any other provi-  
9       sion of law or any international agreement, no agreement  
10      for cooperation between the United States and the govern-  
11      ment of any country that is assisting the nuclear program  
12      of Iran or transferring advanced conventional weapons or  
13      missiles to Iran may be submitted to the President or to  
14      Congress pursuant to section 123 of the Atomic Energy  
15      Act of 1954 (42 U.S.C. 2153), no such agreement may  
16      enter into force with such country, no license may be  
17      issued for export directly or indirectly to such country of  
18      any nuclear material, facilities, components, or other  
19      goods, services, or technology that would be subject to  
20      such agreement, and no approval may be given for the  
21      transfer or retransfer directly or indirectly to such country  
22      of any nuclear material, facilities, components, or other  
23      goods, services, or technology that would be subject to  
24      such agreement, until the President determines and re-  
25      ports to the Committee on Foreign Affairs of the House



1 of Representatives and the Committee on Foreign Rela-  
2 tions of the Senate—

3 (1) Iran has ceased its efforts to design, de-  
4 velop, or acquire a nuclear explosive device or related  
5 materials or technology; or

6 (2) the government of the country that is as-  
7 sisting the nuclear program of Iran or transferring  
8 advanced conventional weapons or missiles to Iran—

9 (A) has suspended all nuclear assistance to  
10 Iran and all transfers of advanced conventional  
11 weapons and missiles to Iran; and

12 (B) is committed to maintaining that sus-  
13 pension until Iran has implemented measures  
14 that would permit the President to make the  
15 determination described in paragraph (1).

16 (b) CONSTRUCTION.—The restrictions described in  
17 subsection (a)—

18 (1) shall apply in addition to all other applica-  
19 ble procedures, requirements, and restrictions con-  
20 tained in the Atomic Energy Act of 1954 and other  
21 laws; and

22 (2) shall not be construed as affecting the valid-  
23 ity of agreements for cooperation that are in effect  
24 on the date of the enactment of this Act.

25 (c) DEFINITIONS.—In this section:

1           (1) AGREEMENT FOR COOPERATION.—The term  
2           “agreement for cooperation” has the meaning given  
3           that term in section 11 b. of the Atomic Energy Act  
4           of 1954 (42 U.S.C. 2014 b.).

5           (2) ASSISTING THE NUCLEAR PROGRAM OF  
6           IRAN.—The term “assisting the nuclear program of  
7           Iran” means the intentional transfer to Iran by a  
8           government, or by a person subject to the jurisdic-  
9           tion of a government with the knowledge and acqui-  
10          escence of such government, of goods, services, or  
11          technology listed on the Nuclear Suppliers Group  
12          Guidelines for the Export of Nuclear Material,  
13          Equipment and Technology (published by the Inter-  
14          national Atomic Energy Agency as Information Cir-  
15          cular INFCIRC/254/Rev. 3/Part 1, and subsequent  
16          revisions), or the Nuclear Suppliers Group Guide-  
17          lines for Transfers of Nuclear-Related Dual-Use  
18          Equipment, Material, and Related Technology (pub-  
19          lished by the International Atomic Energy Agency as  
20          Information Circular INFCIR/254/Rev. 3/Part 2,  
21          and subsequent revisions).

22          (3) COUNTRY THAT IS ASSISTING THE NU-  
23          CLEAR PROGRAM OF IRAN OR TRANSFERRING AD-  
24          VANCED CONVENTIONAL WEAPONS OR MISSILES TO  
25          IRAN.—The term “country that is assisting the nu-

1 clear program of Iran or transferring advanced con-  
2 ventional weapons or missiles to Iran” means—

3 (A) the Russia Federation; and

4 (B) any other country determined by the  
5 President to be assisting the nuclear program  
6 of Iran or transferring advanced conventional  
7 weapons or missiles to Iran.

8 (4) TRANSFERRING ADVANCED CONVENTIONAL  
9 WEAPONS OR MISSILES TO IRAN.—The term “trans-  
10 ferring advanced conventional weapons or missiles to  
11 Iran” means the intentional transfer to Iran by a  
12 government, or by a person subject to the jurisdic-  
13 tion of a government with the knowledge and acqui-  
14 escence of such government, of goods, services, or  
15 technology listed on—

16 (A) the Wassenaar Arrangement list of  
17 Dual Use Goods and Technologies and Muni-  
18 tions list of July 12, 1996, and subsequent revi-  
19 sions; or

20 (B) the Missile Technology Control Regime  
21 Equipment and Technology Annex of June 11,  
22 1996, and subsequent revisions.

1 **SEC. 604. CONTINUATION OF RESTRICTIONS AGAINST THE**  
2 **GOVERNMENT OF IRAN.**

3 (a) IN GENERAL.—Restrictions against the Govern-  
4 ment of Iran that were imposed by reason of a determina-  
5 tion of the Secretary of State that the Government of  
6 Syria, for purposes of section 6(j) of the Export Adminis-  
7 tration Act of 1979 (as continued in effect pursuant to  
8 the International Emergency Economic Powers Act), sec-  
9 tion 40 of the Arms Export Control Act, section 620A of  
10 the Foreign Assistance Act of 1961, or other provision of  
11 law, is a government that has repeatedly provided support  
12 for acts of international terrorism, shall remain in effect,  
13 and shall not be lifted pursuant to such provisions of law,  
14 unless the President certifies to Congress that the Govern-  
15 ment of Iran—

16 (1) is no longer engaged in the illegal develop-  
17 ment, acquisition, procurement, or stockpiling of  
18 missile, nuclear, chemical, biological, or radiological  
19 technology, or transfer to any other country, the  
20 government of which the Secretary of State has de-  
21 termined, for purposes of any of the provisions of  
22 law specified in the matter preceding this paragraph,  
23 is a government that has repeatedly provided sup-  
24 port for acts of international terrorism;

25 (2) is no longer engaged in training, harboring,  
26 supplying, financing, or supporting in any way—

1 (A) any organization designated by the  
 2 Secretary of State as a foreign terrorist organi-  
 3 zation in accordance with section 219(a) of the  
 4 Immigration and Nationality Act (8 U.S.C.  
 5 1189(a)); and

6 (B) any person included on the Annex to  
 7 Executive Order 13224 (September 23, 2001)  
 8 and any other person identified under section 1  
 9 of that Executive Order whose property and in-  
 10 terests in property are blocked by that section  
 11 (commonly known as a “specially designated  
 12 global terrorist”).

13 (b) LIMITATION ON ASSISTANCE.—Notwithstanding  
 14 any other provision of law, no funds under this or any  
 15 other Act shall be used to provide direct or indirect assist-  
 16 ance to the Government of Iran unless the President  
 17 makes the certification described in subsection (a).

## 18 **TITLE VII—DEFINITIONS**

### 19 **SEC. 701. DEFINITIONS.**

20 Except as otherwise provided, in this Act:

21 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
 22 TEES.—The term “appropriate congressional com-  
 23 mittees” means—

1 (A) the Committee on Foreign Affairs and  
2 the Committee on Appropriations of the House  
3 of Representatives; and

4 (B) the Committee on Foreign Relations  
5 and the Committee on Appropriations of the  
6 Senate.

7 (2) GOVERNMENT OF IRAN.—The term “Gov-  
8 ernment of Iran” includes any agency or instrumen-  
9 tality of the Government of Iran, including any enti-  
10 ty that is controlled by the Government of Iran.

11 (3) WEAPONS OF MASS DESTRUCTION PRO-  
12 GRAMS.—The term “weapons of mass destruction  
13 programs” means—

14 (A) and chemical weapons, biological weap-  
15 ons, radiological or nuclear procurement and  
16 development programs and efforts;

17 (B) ballistic missile procurement and devel-  
18 opment programs and efforts; and

19 (C) other actions in violation of the  
20 Waasenaar Arrangement on Export Controls  
21 for Conventional Arms and Dual-Use Goods  
22 and Technologies, the Missile Technology Con-  
23 trol Regime, the Australia Group, the Nuclear  
24 Suppliers’ Group, the Zangger Committee, and  
25 any other international agreement or arrange-

1           ment to which the United States is a party that  
2           restricts the export of chemical, biological, nu-  
3           clear, and other weapons and their delivery sys-  
4           tems, and effectively restricts the export of dual  
5           use components of such weapons and their de-  
6           livery systems.

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